

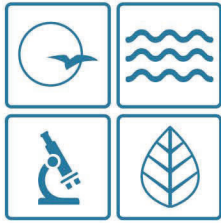
Environmental Mitigation Trust Agreement for State Beneficiaries: Semi-Annual Report

Reporting Period:

July 1, 2023 through December 31, 2023

Submitted on February 9, 2024

Missouri Department of Natural Resources



MISSOURI
DEPARTMENT OF
NATURAL RESOURCES

Michael L. Parson
Governor

Dru Buntin
Director

February 9, 2024

Russell L. Crane
Volkswagen Environmental Mitigation Trust
c/o Wilmington Trust, N.A. as Trustee
1100 North Market Street
Attn: Capital Markets & Agency Services
Wilmington, DE 19890

Dear Russell Crane,

The Missouri Department of Natural Resources has enclosed the information necessary to complete the semi-annual reporting requirement found in paragraph 5.3 of the Volkswagen Environmental Mitigation Trust Agreement for State Beneficiaries. The department has collected the data relevant to reporting requirements for the six-month period of July 1, 2023, to December 31, 2023.

Thank you for attention to this matter. If you have any questions regarding this submission, please contact Shelia Sederburg, with the department's Air Pollution Control Program at P.O. Box 176, Jefferson City, MO 65102 or by phone at (573) 751-1349 or email at Shelia.Sederburg@dnr.mo.gov.

Sincerely,

AIR POLLUTION CONTROL PROGRAM

Stephen M. Hall

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Hall
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Stephen M. Hall
Director

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Enclosure



The Missouri Department of Natural Resources updated the Beneficiary Mitigation Plan (BMP) to correct the funding contingency measure and account for monetary interest earned on the funds. The Consent Decree that establishes the Volkswagen Trust identifies the ten Eligible Mitigation Actions (EMA's), which defines what projects are eligible for funding. The original BMP restructured these ten EMA's into eight distinct categories, combining some EMA's and separating others based on expected public interest.

The updated BMP restructures Missouri's original funding categories to eliminate overlap between categories and facilitate the redistribution of funding between categories. The Medium- and Heavy-duty trucks category were consolidated from the former Government and Nongovernment trucks categories. This category includes subcategories from Government and Nongovernment trucks, and a new subcategory dedicated to Emergency Vehicles. The Other Eligible Projects category includes the consolidated Transit and Shuttle Bus, Locomotive and Marine, and Airport and Cargo Handling categories.

Category 1: School Buses: EMA 2

The department opened the Category 1 application period from July 28, 2021, thru October 12, 2021, and selected projects by lottery. The department awarded 85 projects totaling \$3,968,932. The department disburses the awarded amounts only upon completion of each project and 44 projects are now completed. A project is complete when the new bus is delivered, the old bus is disabled, and proof of payment is verified.

Category 2: Government Owned Medium and Large Trucks: EMA 6, EMA 1

The department opened the Category 2 application period from July 28, 2021, thru October 12, 2021, and selected the highest scoring projects for funding. The department used a ranking system based on estimated NO_x reduction, cost-effectiveness, and area of operation. The department awarded 17 government owned projects totaling \$910,454, and 14 projects are now completed. The department disburses the awarded amounts only upon completion of each project. A project is complete when the new truck is delivered, the old truck is disabled, and proof of payment is verified.

Category 2: Emergency Vehicles Owned Medium and Large Trucks: EMA 6, EMA 1

The department opened the Category 2 application period from July 28, 2021, thru October 12, 2021, and selected the highest scoring projects for funding. The department used a ranking system based on estimated NO_x reduction, cost-effectiveness, and area of operation. The department awarded 12 emergency vehicle projects totaling \$1,404,000, and 7 projects are now completed. The department disburses the awarded amounts only upon completion of each project. A project is complete when the new truck is delivered, the old truck is disabled, and proof of payment is verified.

Category 3: Transit and Shuttle Buses: EMA 2

The department opened the Category 3 application period from July 28, 2021, thru October 12, 2021, and selected the highest scoring projects for funding using a ranking system based on NO_x reduction, cost-effectiveness, and area of operation. The department did not receive any applications in this category during the application period.

Category 4: Nongovernment Owned Medium and Large Trucks: EMA 6, EMA 1

The department opened the Category 4 application period from July 28, 2021, thru October 12, 2021, and selected the highest scoring projects for funding using a ranking system based on NO_x reduction, cost-effectiveness, and area of operation. The department awarded 62 nongovernment owned projects totaling \$1,774,940, and 56 projects are now completed. The department disburses the awarded amounts only upon completion of each project. A project is complete when the new truck is delivered, the old truck is disabled, and proof of payment is verified.

Category 5: Locomotive and Marine: EMA 3, EMA 4

The department opened the Category 5 application period from July 28, 2021, thru October 12, 2021, and selected the highest scoring projects for funding using a randomized selection method weighted by estimated NO_x reduction. This category includes EMA 3 for switch locomotives and EMA 4 for marine engine repowers; however, the air program did not receive any applications for projects falling under EMA 3. The department awarded one EMA 4 project totaling \$470,000. The project is in progress and thus, no payments disbursed. A project is complete when the new engines are installed, old engines are disabled, and proof of payment is verified.

Category 6: Airport and Cargo Handling Equipment: EMA 7, EMA 8

The department opened the Category 6 application period from July 28, 2021, thru October 12, 2021, and selected the highest scoring projects for funding using a randomized selection method weighted by estimated NO_x reduction. This category includes EMA 7 for airport ground support equipment and EMA 8 for forklifts and port cargo handling equipment. The department awarded 13 EMA 7 projects totaling \$530,000, and 13 projects are now completed. A project is complete when the new equipment is delivered, the old equipment is disabled, and proof of payment is verified.

Category 7: DERA Option: EMA 10

The department opened Category 7's application period from January 2, 2023 thru January 31, 2023, and selected projects by lottery. The department awarded 17 projects totaling \$908,508, and 6 projects are now completed. The Department disburses the awarded amounts only upon completion of each project. A project is complete when the new vehicle is delivered, the old vehicle is disabled, and proof of payment is verified.

Category 8: EV Charging Station: EMA 9

The department accepted applications from July 12, 2022, thru October 12, 2022. This funding period is for the installation of direct current fast chargers (DCFC) at specific locations to work toward the stakeholder goal of creating a minimum practical highway-charging network. The department awarded ten projects totaling \$2,607,120, and 6 projects are now completed. The Department disburses the awarded amounts only upon completion of each project. A project is complete when the charging station is installed, available for public use, and proof of payment verified.

Category 1: School Buses		Allocation From Trust	New Fuel Type	Awarded Vehicles	Est. Lifetime NO _x Reduction (tons)	Funding Awarded	Funding Disbursed
Total:		\$511,385.00	Diesel, Electric, Propane	85	211	\$3,968,932	\$461,222.13
School Buses: Category 1		\$511,385.00	Diesel, Electric, Propane	74 diesel 10 electric 1 propane	211	\$3,968,932	\$461,222.13

Category 2: Government Owned Trucks (Class 4-8)		Allocation From Trust	New Fuel Type	Awarded Vehicles	Est. Lifetime NO _x Reduction (tons)	Funding Awarded	Funding Disbursed
Total:		\$489,503.60	Diesel	17	21.28	\$910,454.00	\$ 489,503.60
Medium (Class 4-7)	50% Cost Share Replacement	0.00	Diesel	4	2.31	\$74,620	0.00
Large (Class 8)	50% Cost Share Replacement	\$489,503.60	Diesel	13	18.967	\$835,834	\$ 489,503.60

Category 2: Emergency Vehicles Trucks (Class 4-8)		Allocation From Trust	New Fuel Type	Awarded Vehicles	Est. Lifetime NO _x Reduction (tons)	Funding Awarded	Funding Disbursed
Total:		\$788,429.00	Diesel	12	2.47	\$1,404,000.00	\$365,937.43
Medium (Class 4-7)	50% Cost Share Replacement	\$432,407.00	Diesel	4	0.298	\$480,000.00	\$872.50
Large (Class 8)	50% Cost Share Replacement	\$356,022.00	Diesel	8	2.174	\$924,000.00	\$365,064.93

Category 3: Transit Buses, Shuttle Buses		Allocation From Trust	New Fuel Type	Awarded Vehicles	Est. Lifetime NO _x Reduction (tons)	Funding Awarded	Funding Disbursed
Total:		\$0.00					\$2,871.79
Transit Buses	50% Cost Share Replacement	\$0.00	-	-	-	-	\$2,871.79

Category 4: Nongovernment Owned Trucks (Class 4-8)		Allocation From Trust	New Fuel Type	Awarded Vehicles	Est. Lifetime NO _x Reduction (tons)	Funding Awarded	Funding Disbursed
Total:		\$786,415.00		62	239.134	\$1,774,940.00	\$216,989.92
Medium (Class 4-7)	25% Cost Share Replacement	\$614,176.00	Diesel, Propane	8	11.094	\$160,002.00	0.00
Large (Class 8)	25% Cost Share Replacement	\$172,239.00	Diesel	54	228.04	\$1,614,938.00	\$216,989.92

Category 5: Locomotive and Marine		Allocation From Trust	New Fuel Type	Awarded Vehicles	Est. Lifetime NO _x Reduction (tons)	Funding Awarded	Funding Disbursed
Total:		\$0.00		1	204.21	\$470,600	\$1,957.32
Marine Repowers	40% Cost Share Repower	\$0.00	Diesel	1	204.21	\$470,600	\$1,957.32

Category 6: Airport and Cargo Equipment		Allocation From Trust	New Fuel Type	Awarded Vehicles	Est. Lifetime NO _x Reduction (tons)	Funding Awarded	Funding Disbursed
Total:		\$273,039.00	All-electric	14	36.72	\$530,000	\$276,431.60
Cargo Equipment	50% Cost Share Replacement	\$273,039.00	All-electric	14	36.72	\$530,000	\$276,431.60

Category 7: DERA Option	Allocation From Trust	New Fuel Type	Awarded Vehicles	Disbursed Vehicles/Equipment	Est. Lifetime NO _x Reduction (tons)	Funding Awarded	Funding Disbursed
Total:	\$363,403.00	Diesel	16		21.384	\$779,319.09	\$245,437.34
Nonroad Equipment	\$0.00	Diesel	2	Nonroad Equipment	3.564	\$236,506.84	\$0.00
Onroad Vehicles	\$0.00	Diesel	3	Onroad Equipment	3.564	\$295,312.25	\$0.00
School Buses	\$363,403.00	Diesel, Gasoline	11	School buses	14.256	\$247,500.00	\$245,437.34

Category 8: EV Charging Stations		Allocation From Trust	New Fuel Type	Awarded Infrastructure	Est. Lifetime NO _x Reduction (tons)	Funding Awarded	Funding Disbursed
Total:		\$1,749,548.24		10	n/a	\$2,607,120.00	\$28,821.83
		\$1,749,548.24	All-electric	10	n/a	\$2,607,120.00	\$28,821.83

Eligible Mitigation Actions	Category	Allocation From Trust	Awarded Applications	New Fuel Type	Awarded Vehicles	Est. Lifetime NO _x Reduction (tons)	Funding Awarded	Funding Disbursed
Total:		\$4,961,722.84	78	Diesel, Propane, Electric	218	561.584	\$12,445,365.09	\$2,089,172.96
EMA 1	2, 4	\$1,459,704.60	11	Diesel, Propane, Electric	75	249.18	\$3,374,772.00	\$1,071,558.45
EMA 2	1	\$511,385.00	44	Diesel	85	211.00	\$3,968,932	\$464,093.92
EMA 4	5	\$0.00	1	Diesel	1	204.21	\$470,600	\$1,957.32
EMA 6	2, 4	\$604,646.00	1	Diesel	16	13.70	\$714,622.00	\$872.50
EMA 8	6	\$0.00	0	All-Electric	14	36.72	\$530,000.00	\$276,431.60
EMA 9	8	\$1,749,548.24	4	All-Electric	10	n/a	\$2,607,120.00	\$28,821.83
EMA 10	7	\$363,403.00	17	Diesel	17	21.384	\$779,319.09	\$245,437.34

<u>Eligible Mitigation Action</u>	<u>Allocation from Trust</u>	<u>Administrative Costs</u>
Total:	\$4,961,722.84	\$66,059.76
EMA 1:	\$1,459,701.60	\$10,805.85
EMA 2:	\$511,385.00	\$20,209.66
EMA 3:	\$0.00	\$0.00
EMA 4:	\$0.00	\$1,957.32
EMA 6:	\$604,646.00	\$872.50
EMA 7:	\$273,039.00	\$3,392.60
EMA 8:	\$0.00	0.00
EMA 9:	\$1,749,548.24	\$28,821.83
EMA 10:	\$363,403.00	\$0.00

<p>This information is true and correct and the submission is made under penalty of perjury.</p>	<div> <div>  <div> <div>Stephen M. Hall</div> <div>Digitally signed by Stephen M. Hall Date: 2024.02.09 09:26:33 -06'00'</div> </div> </div> <hr/> <div> <div>Stephen M. Hall,</div> <div>Air Pollution Control Program Director</div> </div> </div>
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